

~~CONFIDENTIAL~~

OCI No. 6291

Copy No. 34

CENTRAL INTELLIGENCE AGENCY
OFFICE OF CURRENT INTELLIGENCE
13 September 54

CO/ED

TO: Deputy Director (Intelligence)

SUBJECT: Soviet Failure to Offer Flood Relief to China

Moscow has failed so far to make any public offer of aid to China at this time of the most severe floods since 1931. This is in contrast to the almost immediate Soviet offers of such relief made to Czechoslovakia, Hungary and East Germany in June of this year and to Iran and India during August. These offers were so small that they could only be considered token, but in all cases they were made while the floods were at their height. The Central China floods have been at this stage for at least six weeks, and flood preparations have been under way since early June.

Although the Chinese gave little publicity to the flood during its early stages, the Peiping government has since announced that 6 percent of China's agricultural land has been flooded and that rainfall is the greatest in over 100 years. On 6 September it was still admitting concern over whether the Wuhan dikes would hold. The USSR, however, has avoided publicizing the situation, and the Soviet and Satellite press and radio have almost entirely ignored the floods.

Soviet failure to make any public offer of assistance such as the token offers to the Satellites could be explained as a reflection of Chinese reluctance to acknowledge the need for Soviet charity at a time when Peiping has announced ambitious plans for socialization and has claimed new international status as a result of the "victory at Geneva." China may be unwilling to admit that its "march toward Socialism" including socialist industrialization has received any setbacks requiring extraordinary grants of aid, despite the prospect of serious food shortages. At the height of the floods Peiping announced it was pushing ahead with collectivization.

Therefore, unless the Soviet leaders were willing to make an offer substantial enough to aid significantly in the Chinese economic program, the Chinese Communist leaders may have been unwilling to appear needy enough to have accepted only a token offer. Given such an attitude on the part of the Chinese, it is unlikely that top Soviet officials pressed for an opportunity to make a benevolent but inadequate demonstration of assistance.

~~CONFIDENTIAL~~

SEE REVERSE FOR DECLASSIFICATION ACTION

25X1

~~SECRET~~
CONFIDENTIAL

Soviet unwillingness to make a substantial offer could thus be the major reason for the failure of the USSR to make any public offer. Soviet aid to Peiping since 1949 has been modest, and there is no reason why the Chinese leaders should anticipate flood relief from the USSR to be significant in relation to Chinese requirements.

Significant aid to China is within the capability of the Soviet economy should political considerations assign it a sufficiently high priority. But a major assistance program could now be mounted only at the expense of some of the objectives planned for the USSR's internal economy. Many of the materials most attractive to the Chinese are currently committed to the post-Stalin "new course."

Although the USSR has apparently found it necessary to suffer a propaganda disadvantage by failing to make offers at this time, such aid may be offered later when the floods have their full effect on the Chinese food situation. The immediate effects of the loss of food crops from the floods may be partially offset by good crops this past winter and the prospects of better crops in the North China plain and Manchuria. In this case the net estimated loss of 5-8 percent of China's total 1954 crops will not be felt until the winter and spring of 1955 when the localized famines of this year will be certain to recur.

Moscow and Peiping could use this breathing space to carry on the prolonged negotiations which have characterized their economic dealings in the past. Perhaps an already proffered but rejected token offer could then be put in terms attractive enough to be acceptable to Peiping. Moscow, however, is somewhat limited in its alternatives or supplements to outright aid. Release of China from its obligation to export foodstuffs to the USSR and Eastern Europe, for example, would have the disadvantage of publicizing what is already an unpopular commitment.

2

HUNTINGTON D. SHELDON
Assistant Director
Current Intelligence

Orig: GEN DIV

CONFIDENTIAL